6647091/2022/OP-I-AGC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agriculture & Cooperation Department – Government Guarantee for obtaining Rs.5,000.00 Crores loan by Andhra Pradesh State Cooperative Marketing Federation Ltd. (AP MARKFED) for procurement of Paddy in the State from the Working Capital Assistance under direct funding of NCDC or any other Financial Institution duly waiving Government Guarantee commission – Renewal of the Govt. Guarantee for utilizing the remaining balance of Rs.3,200.00 Cr. up to the Financial Year 2023-24 - Orders – Issued.

AGRICULTURE & COOPERATION (COOP.I) DEPARTMENT

G.O.Ms.No.63

Dated:21.11.2022.

Read the following:-

1. G.O.Ms.No. 9, CA, F & CS (CS.I) Department, dated:19.10.2021.
2. From the M.D., AP Markfed, Vijayawada eFile No. APMF-11/6/2021-ACCOUNTS SEC-APMF, dated:24.10.2021.
3. G.O.Ms.No.80, Agri.& Coop. (COOP.I) Dept., dt:11.11.2021.
4. G.O.Ms.No.26, CAF&CS(CS.I) Dept., dt:13.10.2022.
5. Managing Director, AP Markfed, Vijayawada, File No.APMF-11/7/2022-ACCOUNTS SEC-APMF, dt:07.11.2022.

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ORDER:

In the G.O. first read above, Government have issued orders appointing A.P. Markfed as an additional agency for procurement of paddy during Kharif 2021-2022 and to assist the APSCSCL. Accordingly, permission was given to A.P. Markfed to undertake paddy procurement operations in accordance with the procurement policy orders issued from time to time by the Government. The applicable cost of procurement will be released to A.P. Markfed by APSCSCL soon after funds are received from Government of India, FCI and Government of Andhra Pradesh.

2. In pursuance to above and the request made by the MD, A.P. Markfed in his letter 2nd read above, Government have issued orders for Government Guarantee for obtaining Rs.5,000.00 Crores (Rs. Five Thousand crores only) as Working Capital Assistance to A.P. Markfed for procurement of Paddy during Kharif 2021-2022 season in the State under direct funding of NCDC or any other financial Institution and also permitted waiver of Government Guarantee Commission, vide G.O.3rd above, subject to the following conditions.

i. That the Government Guarantee is to be utilized / drawn within a period of one year from the date of issue of these orders.
ii. The Guarantee will be valid for the entire tenure of the loan period.
iii. The Guarantee is extended only for the Principal and Interest part for the tenure of the loan.
iv. Submission of repayment schedule of Principal and Interest along with the details such as interest rate, tenure, moratorium period.
v. The Government Guarantee shall come into force in the event of failure to pay obligations to the lending institution by A.P. Markfed.
vi. The deed shall not be valid, unless it is signed by the authorized officer of the Finance Department, Government of Andhra Pradesh.

(PTO)

3. In the letter fifth read above, the M.D., AP Markfed, Vijayawada has stated that Govt. in CA, F & CS Dept. have issued orders for procurement of paddy during the Kharif 2022-23 and appointed A.P. Markfed as an additional agency and accorded permission to A.P. Markfed to procure the paddy during Kharif 2022-23 from farmers in coordination with APSCSCL vide G.O. fourth read above and instructed to make arrangements for farmer payments by APSCSCL within 21 days of paddy procurement. He has further stated that the V.C. & Managing Director, APSCSCL, Vijayawada has requested the A.P. Markfed, Vijayawada being Joint Procurement Agency, to avail fresh loan of Rs.5000.00 Crores from NCDC and transfer the same as inter-corporate loan to APSCSCL in order to utilize the said amount for making farmer payments for KMS 2022-23. He has also stated that the NCDC, New Delhi has sanctioned an amount of Rs.5000.00 Crores with State Govt. Guarantee towards paddy procurement in the State, out of which AP Markfed has drawn Rs.1800.00 Crores (Rs. One thousand and eight hundred only) and transferred to APSCSCL to meet the expenses for KMS 2021-22, as on 31.10.2022. Further an amount of Rs.1371.99 Crores towards Principal and Rs.58.18 Crores towards interest has been repaid to NCDC and the balance amount of Rs.428.01 Crores is pending for repayment. Therefore, the M.D., AP Markfed, Vijayawada has requested to issue Government Guarantee for Rs.5,000.00 Crores duly waiving payment of Guarantee commission, for making payments to farmers for KMS 2022-23.

4. In the circumstances stated and after careful examination of the matter, Govt. hereby renew the Govt. Guarantee for the remaining balance of Rs.3,200.00 Cr. (Rs. three thousand and two hundred crores only) up to the Financial Year 2023-24, towards raising loan of Rs.3,200 crores as Working Capital Assistance to A.P. Markfed for procurement of Paddy during Kharif 2022-2023 season in the State under direct funding of NCDC or any other financial Institution, duly waiving the guarantee commission, subject to the same terms and conditions issued vide G.O. 3rd read above.

5. The Managing Director, A.P. State Cooperative Marketing Federation Ltd., Vijayawada shall take necessary action in the matter.

6. This order issues with the concurrence of Finance (C&DM) Department vide their U.O.No.FIN01-BUGTOMISC/28/2021-CDM, dt:16.11.2022.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, AP Markfed, Vijayawada.
Copy to
The Commissioner for Cooperation & Registrar of Coop. Societies,
AP Guntur.
The VC & MD, AP State Civil Supplies Corporation Ltd., Vijayawada.
The Consumers Affairs, Food & Civil Supplies (CS.I) Dept.
The Finance (C&DM) Department.
PS to Hon'ble Minister for Agri. & Coop.
PS to Secy. to Hon'ble C.M.
PS to Prl.Secy. to Govt. (AM&C), Agri. & Coop. Dept.
Sf/Sc.

// FORWARDED :: BY ORDER //

B. Hemalatha

SECTION OFFICER